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CLERK, U.S. DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

BY: DZD DEPUTY

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

GEN-PROBE INCORPORATED,

Plaintiff,

vs.

BECTON, DICKINSON AND COMPANY,

Defendant.

CASE NO. 09-CV-2319 BEN (NLS)
10-CV-0602 BEN (NLS)

ORDER DENYING GEN-PROBE'S
MOTIONS TO STRIKE AND
DISMISS BECTON DICKINSON'S
FIRST AMENDED ANSWERS
AND COUNTERCLAIMS

[ECF No. 482]

INTRODUCTION

On August 23, 2012, Defendant Becton Dickinson and Company ("BD") filed its First Amended Answer and Counterclaims ("Countercl.") in its patent dispute with Plaintiff Gen-Probe Incorporated. ECF Nos. 460, 461.¹ Gen-Probe now moves to dismiss and strike BD's counterclaims and affirmative defenses related to inequitable conduct. ECF No. 482. The Court heard oral argument on October 15, 2012. The thrust of Gen-Probe's motion is that BD failed to allege inequitable conduct with particularity as required by Rule 9(b) of the Federal Rules of Civil Procedure. The Court

¹ BD filed an Amended Answer and Counterclaims in this case as well as in the consolidated case, Case No. 10-cv-0602. The filings are substantively similar. Gen-Probe moves to dismiss count eight of BD's Amended Counterclaim in Case No. 09-cv-2319 and count five in Case No. 10-cv-0602 case. Gen-Probe also moves to strike BD's thirteenth affirmative defense in Case No. 09-cv-2319 and its tenth affirmative defense in Case No. 10-cv-0602. Page references in this order refer to BD's filing in Case No. 09-cv-2319.

1 disagrees. For the reasons stated below, Gen-Probe's motion is **DENIED**.

2 BACKGROUND

3 Gen-Probe brought a patent infringement action alleging that BD infringes its "Automation"
 4 and "Cap" patents. The Automation Patents describe an automated method for nucleic acid-based
 5 testing. Gen-Probe accuses BD of infringing on its patents through the use and sale of the VIPER
 6 XTR and BD Max, BD's automated testing instruments. On September 28, 2012, the Court resolved
 7 several pending motions. ECF No. 491. Among other things, the Court granted partial summary
 8 judgment for Gen-Probe of direct literal infringement of sixteen Automation Patent claims.

9 In its First Amended Answers and Counterclaims, BD asserts that the Automation Patents are
 10 unenforceable due to Gen-Probe's inequitable conduct during prosecution. Countercl. ¶ 16. BD
 11 alleges that Mr. Mark Toukan, a contractor, contributed to the methods claimed in those patents, in
 12 part, by designing a luminometer module. *Id.* ¶¶ 21-47, 66. It alleges that Gen-Probe's attorneys
 13 learned of Mr. Toukan's contributions, and after failing to acquire his ownership rights, intentionally
 14 hid his contributions from the United States Patent & Trademark Office ("PTO"). *Id.* ¶¶ 87-89, 137,
 15 153, 169, 185, 201. BD also contends that Gen-Probe engaged in inequitable conduct by
 16 misrepresenting in various "terminal disclaimers" that it was the sole owner of the patents to overcome
 17 non-final PTO rejections on the ground obviousness-type double patenting. *Id.* ¶¶ 136, 151-52, 167-
 18 68, 199-200, 211. BD asserts that the PTO would never have issued the patents had Gen-Probe
 19 submitted accurate information regarding inventorship and ownership. *Id.* ¶¶ 138-39, 154-55, 170-71.
 20 Although BD names two of Gen-Probe's attorneys in its filing, it directs some accusations to simply
 21 "Gen-Probe" and "Gen-Probe and its attorneys."

22 DISCUSSION

23 "A motion to dismiss under Federal Rule of Civil Procedure 12(b)(6) for failure to state a claim
 24 upon which relief can be granted tests the legal sufficiency of a claim." *Conservation Force v.*
 25 *Salazar*, 646 F.3d 1240, 1241-42 (9th Cir. 2011) (citation and quotation marks omitted). Dismissal
 26 is appropriate if, taking all factual allegations as true, the complaint fails to state a plausible claim for
 27 relief on its face. *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 556-57 (2007); *see also Ashcroft v. Iqbal*,
 28 556 U.S. 662, 678 (2009) (requiring plaintiff to plead factual content that provides "more than a sheer

1 possibility that a defendant has acted unlawfully"). Rule 12(f) permits a court to "strike from a
 2 pleading an insufficient defense or any redundant, immaterial, impertinent, or scandalous matter."

3 The inequitable conduct defense to patent infringement has two elements: "(1) an individual
 4 associated with the filing and prosecution of a patent application made an affirmative
 5 misrepresentation of a material fact, failed to disclose material information, or submitted false material
 6 information; and (2) the individual did so with the specific intent to deceive the PTO." *Exergen Corp.*
 7 *v. Wal-Mart Stores, Inc.*, 575 F.3d 1312, 1327 n.3 (Fed. Cir. 2009). The defense must be pled with
 8 particularity under Rule 9(b). *Id.* at 1326. That means a pleading must identify "the specific who,
 9 what, when, where, and how of the material misrepresentation or omission committed before the
 10 PTO." *Id.* at 1328. In addition, it must include "sufficient allegations of underlying facts from which
 11 a court may reasonably infer that a specific individual (1) knew of the withheld material information
 12 or of the falsity of the material misrepresentation, and (2) withheld or misrepresented this information
 13 with a specific intent to deceive the PTO." *Id.* at 1328-29.

14 Materiality in this context typically means "but for" materiality, although the Federal Circuit
 15 has carved out an exception for "affirmative egregious misconduct," such as the filing of an
 16 "unmistakably false affidavit." *Therasense, Inc. v. Becton, Dickinson & Co.*, 649 F.3d 1276, 1291-92
 17 (Fed. Cir. 2011). Under the "but for" standard, "[m]ere claims that the PTO would not have granted
 18 the patent had it known of the omission or misrepresentation are insufficient." *Human Genome Scis.,*
 19 *Inc. v. Genentech, Inc.*, Case No. 11-cv-6519, 2011 U.S. Dist. LEXIS 153834, at *13 (C.D. Cal. Dec.
 20 9, 2011). "Instead, the accused infringer must identify some fact that would make it plausible that the
 21 PTO would not have granted the patent but-for the misrepresentation." *Id.*

22 Gen-Probe argues that BD's pleading falls short in two respects: (1) it fails to specifically
 23 identify *who* engaged in the inequitable conduct, and (2) it fails to adequately plead that any omissions
 24 or misstatements were material. With respect to the "who" requirement, Gen-Probe asserts that
 25 allegations against entities such as "Gen-Probe" and "Gen-Probe and its attorneys," rather than specific
 26 people, lack the requisite particularity. The Court accepts BD's representation at the October 15, 2012
 27 hearing that all of its allegations are directed at the two attorneys named in the pleading and that
 28 additional references to "Gen-Probe" are mere shorthand for those individuals. Subject to that

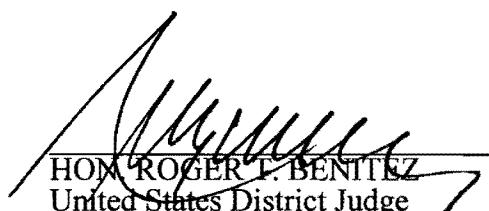
1 limitation, BD's pleading is sufficient.

2 BD has adequately pled "materiality" as well. In *Therasense*, the Federal Circuit held that
 3 "[w]hen an applicant fails to disclose prior art to the PTO, that prior art is but-for material if the PTO
 4 would not have allowed the claim had it been aware of the undisclosed prior art." 649 F.3d at 1291.
 5 BD has alleged inequitable conduct of a slightly different sort, one in which there is less ambiguity
 6 about the omission's effect on patent issuance. Ultimately, non-disclosure of a reference may have
 7 no effect on an examiner's decision whether to allow a claim, but "[e]xaminers are *required* to reject
 8 applications under 35 U.S.C. § 102(f) on the basis of improper inventorship," *PerSeptive Biosystems,
 9 Inc. v. Pharmacia Biotech, Inc.*, 225 F.3d 1315, 1321 (Fed. Cir. 2000) (emphasis added). Given this
 10 statutory constraint and BD's factual allegations of Mr. Toukan's contributions, it is plausible that the
 11 PTO would not have granted the patents absent Gen-Probe's misrepresentations. That is because
 12 inventorship is "a critical requirement for obtaining a patent." *Id.* at 1321; *TecSec, Inc. v. Int'l Bus.
 13 Mach. Grp.*, 763 F. Supp. 2d 800, 811 (E.D. Va. 2011) ("The proper inventorship of a claimed
 14 invention is highly material to patentability, and misrepresentations regarding inventorship, if true,
 15 could easily render a patent unenforceable due to inequitable conduct."). Accordingly, BD's pleading
 16 is adequate at this stage of litigation. The Court need not decide whether Gen-Probe's alleged
 17 misconduct also constituted "affirmative egregious misconduct."

18 For the reasons stated above, the court **DENIES** Gen-Probe's motion to dismiss count eight
 19 of BD's Amended Counterclaim in Case No. 09-cv-2319 and count five in Case No. 10-cv-0602. The
 20 Court also **DENIES** Gen-Probe's motion to strike BD's thirteenth affirmative defense in Case No. 09-
 21 cv-2319 and its tenth affirmative defense in Case No. 10-cv-0602.

22 **IT IS SO ORDERED.**

23 DATED: October 30, 2012


 24 HON. ROGER T. BENITEZ
 United States District Judge

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